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High Prices Don't Deter City Condo Buyers

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July 24 2005

The 50 condominiums in the yet-to-be-completed Metropolitan are the first of their kind to come on the downtown Hartford market in years - and 19 are already spoken for, at an average sales price of \$275,000.

Asking prices on the remaining 31 units at 266 Pearl St. are even higher.

Want a one-bedroom, 670-square-foot condo now? There's only one left, at \$253,000. Want the two-bedroom, 1,236-square-foot penthouse? \$407,000.

That's just for the living space. There are the condo fees, which range from \$250 to \$450 a month. And if you want a parking space in the covered garage, that's an extra \$20,000.

City officials say the prices developer David Nyberg is commanding for The Metropolitan Condominiums in the former HELCO building are "groundbreaking." And even though Nyberg hasn't completed any sales, developers who want to build condominiums are watching him closely - they know that his success today could be their success tomorrow.

"It's remarkable," said John F. Palmieri, the city's director of development services. "It demonstrates to me that there are people with money who want to live in the city, and that there's a demand."

Suzanne Hopgood, who, with her husband, Frank Lord, is selling their 4,000-square-foot townhouse on Capitol Avenue for \$895,000, agrees. They're buying two units at the Metropolitan and combining them into one 2,000-square-foot unit.

She and her husband are convinced that there are more people like them who are looking to downsize, interested in downtown living and seeking new housing opportunities.

And the prices at the Metropolitan were just right to keep her and her husband downtown, she said.

"I think David's pricing is dead on," she said.

More To Come

Martin J. Kenny, developer of the soon-to-open Trumbull on the Park apartment building, isn't in the downtown condo market yet. But he says he sees where the market is going.

The Front Street project at Adraien's Landing may have condos. The former Capewell horse-nail factory off Charter Oak Avenue may soon have condos.

The city wants condos at 101 Pearl St., a building it plans to sell soon.

"The next big craze is certainly condos, and I think David's thing is going to help a lot of these things on the drawing board pencil out," Kenny said. "They will be crashing into the public eye in the next six months."

But that "crashing" could be cause for caution for developers, said John M. Clapp, a professor of real estate at the University of Connecticut.

"The first person to jump in reaps great rewards, and I think that's what you're seeing here with The Metropolitan," Clapp said.

But when there are winners, there are losers as well - and the longer one waits, the less the reward, he said.

"The theory says that [developers] will tend to pile on, and the last ones in will get hurt."

That's not to say Clapp looks at the new energy in Hartford and is pessimistic. Like many others, Clapp is encouraged by the public and private investment in downtown Hartford. But Hartford is a city with a population decline in a slow-growing region where the trend is to flee the urban environment, not flock to it, he said.

"My main message to the developers [is] this is a great thing, bringing private money and developing housing in downtown Hartford," Clapp said. "But there's a limited market for it, and I don't know what that limit is."

Palmieri, the city's development director, disagrees with Clapp's assessment. True, cities are losing population, he said, "but downtowns are prospering all over the country. Hartford is not bucking the trend at all. There are limits to the market, certainly, and there will come a point where the market is saturated. But there's a long way to go."

In the short term, developers such as John Reveruzzi - who wants to build 92 condominium units at the Capewell - are looking at Nyberg's project and hoping for the best.

The 19 reservations that Nyberg already has "are an indication that there are people out there who are certainly interested in housing in Hartford," Reveruzzi said.

He's counting on that because he has been having trouble finalizing the financing for his units, which range from \$100,000 to \$185,000 for a three-bedroom, 2.5 bath, 2,000-square-foot pad. If Nyberg closes on his condos at \$300,000 a unit, then Reveruzzi's prices can go up, and his reliance on state and city help can go down, he said.

"That will set the market for the entire condominium market in the city of Hartford," Reveruzzi said. "I would need less of a subsidy."

A Healthy Sign

Figuring out just how to price the units at the Metropolitan was something of a challenge, according to Daniel Marcus of College Street LLC, Nyberg's company.

There were no comparable condos by which to figure a good price, he said. So they based their sale figures on monthly mortgage rates similar to monthly rent payments already being charged for high-end downtown apartments.

The 19 units have been contracted for between \$204,000 for a one-bedroom no bigger than 875 square feet and \$358,000 for a two-bedroom no bigger than 1,236 square feet.

Of the remaining 31 units, the prices are higher: an average of \$300,000 per unit or roughly \$340 per square foot.

Joanne Hoyer, one of the real estate agents for the Metropolitan, says informal surveys show its pricing is not exceptionally high. In Stamford, new condominiums go for \$240 to \$400 per square foot; Greenwich is \$500 and up; Manhattan is \$650 to \$850, she said.

Gena Lockery, of New Haven's GRL and Realtors LLP, says if Nyberg's Metropolitan project were in New Haven, the condos would be selling for even more money.

"I'm familiar with them, I went to the open house, I saw the condos, saw the building, and the product he delivers, in New Haven, would have started at \$400,000," she said, explaining that the demand for downtown condominium space in New Haven far outpaces supply.

In Providence, prices for downtown condominiums now in the works range from the low end - \$275,000 to \$400,000 for roughly 1,200 to 2,000 square feet - to the high end - \$575,000 to \$3 million or \$4 million for 2,500 square feet in a 36-story tower. Some of the higher-end properties start at \$550 per square foot, said Thomas E. Deller, Providence's director of planning and development.

Evan Berman, a real estate agent with ERA Broder Group Real Estate in West Hartford, said he likes what he sees happening at the Metropolitan.

"It's high, but people are going to buy them," he said of the units and their pricing. "Let's say half are under contract already. How long has it been on the market, a month? That's incredible."

But it's hard to know if this foreshadows a trend.

"There's just nothing to compare it to," Berman said. "All I know is that they're selling them now, and that's good."

Investing In Hartford

For years, the only condominiums to come on the market downtown either were too small or needed too much work, Hopgood and Lord said. But the Metropolitan gave them a choice.

"Because it is a new development, it gave us our first option in many, many years to even think about moving," Lord said.

They like the windows, they like the location, they like the layout that will give them a good entertaining space with several long internal "vistas."

Because the Metropolitan increases the supply of downtown condominiums, it can command a high price. But as real estate appraiser and adviser Dean C. Amadon of Amadon and Associates Inc. sees it, people buy downtown because city life provides amenities that suburban life doesn't.

"You're buying more than real estate," he said. "You're buying a lifestyle, too."

Kiran Jain lives in New York and commutes here for her job as Bradley International Airport's director of marketing and development. She decided to buy a place at the Metropolitan, and her parents and friends decided to buy two adjacent ones, too, she said. She'll be living in one of them during the workweek, but she essentially sees the condominiums as good investments, she said.

Yes, she said, the prices are high for Hartford. "But, then again, I've been looking for a while and I haven't really found anything that you'd want to pay over \$200,000 for in this condition," she said.

"All of them require so much work, and this is: move in, it's secure, it's got underground parking, it's got a fitness center. For somebody like me, that's the perfect mix."

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